

HOUSE BILL 1898
By Hensley

AN ACT to amend Tennessee Code Annotated, Title 49, Title 63 and Title 68, relative to obligations of certain medical students to practice in Tennessee.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following as a new section:

49-4-929.

(a)

(1)

(A) Any student attending a medical school at a public institution of higher learning in this state to study to be a medical doctor shall be eligible for a loan-scholarship from the state in exchange for an agreement to practice in an area of medical need in Tennessee on the completion of medical training, including a medical residency, as provided in this section. The loan-scholarship shall cover the cost of full tuition, fees and books at a medical school at a public institution of higher learning in this state. In exchange for accepting the loan-scholarship to a public medical school in this state, the student shall enter into a written agreement with the Tennessee student assistance corporation in which the student agrees both to practice medicine in a federally designated health professional shortage area (HPSA) or medically underserved area (MUA) in this state for a period of up to four (4) years and to participate in the TennCare program, or its successor programs, or medical assistance

program, or the medically uninsured, as provided in subdivision (2), during the period of such service.

(B) All loan-scholarships shall be evidenced by notes payable to the corporation in accordance with the provisions of this section. The notes shall be executed pursuant to the rules and regulations of the corporation. If the recipient does not remain in Tennessee to practice medicine or does not practice medicine, then the recipient shall be required to repay the full value of loan-scholarship funds and a penalty as provided in subdivision (4). The permanent withdrawal or dismissal of any recipient or the failure of any recipient to do academic work in a manner acceptable to the corporation shall immediately forfeit such recipient's right to retain such loan-scholarship. Any loan made under the provisions of this section shall be cancelled by the death or the permanent and total disability of the recipient.

(2)

(A) During the agreed four (4) years of service, the loan-scholarship graduate physician shall accept and treat at least fifty-one percent (51%) of the physician's patient load from enrollees of the TennCare program, or its successor programs, or medical assistance program, or the medically uninsured. The department of health is authorized to conduct audits of the physician's practice at any time in order to determine that the requirements of this subdivision are being met.

(B) Each loan-scholarship award shall be renewable up to three (3) times, contingent upon satisfactory academic performance. Persons

receiving loan-scholarships who become physicians in Tennessee shall receive forgiveness of the loan-scholarship balance based on one (1) year of physician service for each year an award was made. Any loan-scholarship balance not forgiven as provided in this section shall be subject to the full enforcement provisions of this section.

(3) The commissioner of health shall attempt to provide the loan-scholarship graduate physician with three (3) practice options that are in federally designated health professional shortage areas (HPSAs) or medically underserved areas (MUAs). One option should be located in each of the three (3) grand divisions of the state.

(4) If the student fails to comply with the agreement, the student shall be required to repay one hundred fifty percent (150%) of the full value of the public loan-scholarship to the state within three (3) months of breaching the agreement.

(5) On completion of public medical education undertaken in this state, the student shall register annually with the Tennessee student assistance corporation in order to enable the corporation to monitor additional medical education and compliance with the agreement entered into pursuant to this section.

(6) The attorney general and reporter shall be responsible for undertaking all appropriate and lawful enforcement actions to collect the value of the loan-scholarship.

(7) The Tennessee student assistance corporation shall report a recipient's failure to comply with the agreement to the board of medical examiners and to the extent permitted under law to any other entity inquiring as to the student's record.

(8) Medical students enrolled in a public medical school in this state seeking this loan-scholarship shall be Tennessee citizens and shall not be ineligible under §§ 49-4-904 and 49-4-905(a)(1).

(9) While engaged in required service to receive scholarship-loan forgiveness, a physician may bill, collect and retain all fees or co-payments receivable under medical assistance or the TennCare program to which the physician is entitled under law.

(b) The funds for the loan-scholarships shall be appropriated annually in the general appropriations act from revenues derived from the Tennessee lottery in accordance with the provisions of this part.

(c) The Tennessee student assistance corporation shall administer the loan-scholarship established pursuant to this section. The corporation shall be responsible for determination of eligibility of participants and for the distribution of funds appropriated by the general assembly for loan-scholarships awarded under the program. In the event net proceeds from lottery revenues are insufficient to fund fully the loan-scholarships created by this section, then the Tennessee student assistance corporation is authorized to review and reduce the amounts to be awarded for such loan-scholarships in lieu of reducing the number of participants.

(d) The Tennessee student assistance corporation, in consultation with the commissioner of health, is authorized to promulgate rules and regulations to effectuate the purposes of this section. All such rules and regulations shall be promulgated in accordance with the provisions of title 4, chapter 5.

(e) The program shall begin with the fall semester 2005. The availability of loan-scholarships shall be subject to the appropriation of funds in each year's general appropriations act. The loan-scholarships shall be in addition to a Tennessee HOPE

scholarship, Tennessee HOPE access grant, or a Wilder-Naifeh technical skills grant, or other scholarship awarded pursuant to this part.

SECTION 2. The provisions of this act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the general appropriations act.

SECTION 3. This act shall take effect July 1, 2005, the public welfare requiring it.